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Creating a World Without Poverty Social Business and the Future of Capitalism

In his book, *Creating a World Without Poverty*, Nobel laureate Muhammad Yunus recounts the creation Grameen Danone, a “social business”. The idea began to take shape in October of 2005 when Yunus attended a conference in France. En route to this conference, Yunus took a lunch meeting with Groupe Danone CEO, Franck Riboud. It was at this meeting that Riboud expressed his interest in using the Danone resources and brand to feed the poor. With a handshake, the men and their respective companies joined to create Grameen Danone.

To begin Yunus provides some definitions of what a social business is and how they differ from both charities and profit driven businesses. One of the primary differences between social businesses and profit-maximizing businesses (PMBs) is where the profits end up. In both social business and PMBs, investors are entitled to recoup their investments. However, surpluses generated by social businesses go directly back into it. While these ventures are cause (rather than profit) driven, profitability is still key to their success for two reasons: the ability to payback investors and to further their long-term goals of enacting positive change.

With this model in mind, Grameen Danone entered into the design of their new social business. Preparations ranged from product type, market research, establishment of a target market, governance, and development of the factory. It was first decided that Grameen Danone would produce a fortified yoghurt for young children. To make the product Grameen Danone required a new plant. The first plant was located in Bogra, a town in North Bengal renowned for the *mishit doi* (sweet yoghurt) produced in the region. Once the location was decided, taste tests were conducted to determine the appropriate flavor profile for the yoghurt to possess. After preliminary surveys and adjusting the recipe to accommodate the Bangladeshi sweet tooth, the Grameen Danone label was released.

In March of 2006, Franck Riboud traveled to Dhaka and signed a memorandum of understanding. This act officially launched the Grameen Danone joint venture and outlined its purpose and key objectives. The purpose reads “Mission: Reduce poverty by a unique proximity business model which brings daily healthy nutrition to the poor”. The document combined the social aspirations of the venture with practical business details of the Shokti Doi (Yoghurt for Power) project.

Grameen Danone employed “Grameen Ladies” who sold small quantities of Shokti Doi door-to-door. They provided training to the Ladies and educated them about the nutrition benefits their product offered. Along with supporting local dairies, creating jobs for women, and providing a nutritious snack for young children, Shokti Doi took into consideration the environmental impacts of their venture. The original cups used for the yoghurt were not bio-

degradable. Early in the project, Danone began researching and using cornstarch based containers (Yunus wrote that he would like to utilize edible cups in Grameen Danone products).

Creating a World Without Poverty provides the reader with a deep insight into the planning and implementation of a social business model. But along with this, Yunus offers his thoughts on the human desire to do good. It is his belief that people look for meaning in their lives, and this meaning can only stem from benefiting the world around in some way. It is for this reason that Yunus believes and, through his work and the success of the Grameen Bank, proven that social business provides this purpose and can make a profound impact.

*If you would like to read the abridged version of the works of Muhammed Yunus, I suggest looking up his Nobel Price Lecture: "Poverty Is a Threat to Peace".